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## FISCAL IMPACT REPORT

SPONSOR: Stell DATE TYPED: 02/22/03 HB 977

SHORT TITLE: Water Rights Protection for Conserved Water SB \_\_\_\_\_

ANALYST: Chabot

### APPROPRIATION

Appropriation Contained		Estimated Additional Impact		Recurring or Non-Rec	Fund Affected
FY03	FY04	FY03	FY04		
	NFI				

(Parenthesis ( ) Indicate Expenditure Decreases)

### SOURCES OF INFORMATION

LFC Files

### SUMMARY

#### Synopsis of Bill

House Bill 977 amends Section 72-5-18 NMSA 1978 WATER ALLOWANCE by adding “Improved irrigation methods resulting in the conservation of water shall not affect an owner’s water rights.”

#### Significant Issues

According to the previous State Engineer, Thomas Turney, at the December 2002 interim Legislative Water and Natural Resources Committee, OSE has not exercised the forfeiture clause on any reduced water use resulting from conservation efforts. This bill would codify this practice.

While the State Engineer supports conservation efforts, the agency is concerned taking any water being saved due to improvements in irrigation, and then put to additional beneficial use, will increase depletions of water in the system. The goal needs to be to keep the system in balance by increasing return flows to the river and not developing new uses.

### POSSIBLE QUESTIONS

1. Is there an incentive to an irrigator to conserve water if the savings cannot be put to beneficial use?

GAC/njw